## Message Text

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SECRETTHE HAGUE 6090

E.O. 11652: GDS TAGS: PCAT, MASS, NL

SUBJ: INFORMATION NEEDS ON WEST EUROPEAN CONVENTIONAL ARMS TRANSFERS TO THIRD WORLD

REF: (A) STATE 257011; (B) THE HAGUE 296 (JAN '76)

1. SUMMARY: THE BASIC CONCEPT THAT THE DUTCH ARE NOT ARMS MERCHANTS CONTAINED IN REFTEL B CONTINUES TO GOVERN, ALTHOUGH ECONOMIC PRESSURES MAY CAUSE A MINOR INCREASE IN ARMS TRANSFERS TO THIRD WORLD COUNTRIES. RECENT INFORMATION CONCERNING NETHERLANDS ARMS SALES IS LISTED IN PARAS 2-5. END SUMMARY

2. VFW-FOKKER CONTINUES TO SELL F-27 AIRCRAFT TO THIRD WORLD COUNTRIES IN SMALL NUMBERS; IT IS DIFFICULT TO DETERMINE WHETHER THEY ARE FOR CIVILIAN OR MILITARY USE. HOLLANDSE SIGNAAL (HSA) IS SUPPLYING RADAR, GUNFIRE CONTROL SYSTEMS, AND COMPUTERS FOR FOUR FRIGATES BEING BUILT FOR THE INDONESIAN NAVY IN THE SHIPYARD IN VLISSINGEN. THE VLISSINGEN SHIPYARD IS ALSO CONSTRUCTING SOME PATROL CRAFT FOR THE IRANIAN NAVY.

3. THE NETHERLANDS NAVY SOLD ITS DE-COMMISSIONED CRUISER ZEVEN PROVIN

CIEN TO PERU IN 1976 (7 MILLION DOLLARS); A SMALL CADRE OF NAVY PERSONNEL HAS BEEN ASSIGNED TO THE SHIP DURING OVERHAUL (14 MILL SECRET

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DOLLARS) AND FOR BASIC TRAINING OF PERUVIANS ON THE INSTALLED EQUIPMENT. APPARENTLY PERU HAS SLACKENED ITS INTEREST IN PURCHASING THE TWO REMAINING HOLLAND-CLASS DESTROYERS (TO BE DE-COMMISSIONED IN 1983) BUT THERE IS SOME INDICATION THAT THE NETHERLANDS IS CONTINUING TO LOOK TOWARD OTHER THIRD WORLD PURCHASERS OF ITS OUTDATED NAVY VESSELS. THE NETHERLANDS NAVY

WILL BE IN A POSITION TO SELL UP TO 10 OLD DESTROYERS OVER THE NEXT FEW YEARS AS THEY ARE REPLACED BY SHIPS UNDER CONSTRUCTION.

4. SOMETIME AGO WE RECEIVED SENSITIVE INFORMATION THAT A PARTICULAR DUTCH COMPANY MIGHT BE SELLING A UNIQUE VISION DEVICE TO THE USSR. WE HAVE BEEN UNABLE TO SUBSTANTIATE THAT INFORMATION. VAN DOORNE'S AUTOMOBIE FABRIEK (DAF) IS CURRENTLY IN A CO-PRODUCTION EFFORT WITH FMC OF SAN JOSE, CL, WHEREIN DAF, IN COOPERATION WITH OTHER EUROPEAN MANUFACTURERS, IS FABRICATING APPROXIMATELY 900 WEAPON STATIONS (25 MM GUN) FOR THE ARMORED VEHICLE MANUFACTURED BY FMC. THIS ARMORED INFANTRY FIGHTING VEHICLE (AIFV) IS DESIGNATED THE YPR 765 BY THE DUTCH FORCES AND HAS OTHER POTENTIAL EUROPEAN AND MID-EASTERN PURCHASERS. THIRD COUNTRY SALES OF THE AIFV WOULD BE DEPENDENT UPON USG APPROVAL AS WERE THOSE SOLD TO THE NETHERLANDS.

5. IN THE 1980'S , AS THE NETHERLANDS ARMED FORCES RECEIVES SUFFICIENT F-16'S TO REPLACE ITS F-104'S, GON WILL WANT TO START DISPOSING OF F-104'S , POSSIBLY TO THIRD WORLD COUNTRIES, BUT USG RETAINS VETO RIGHTS ON SUCH SALES UNDER MAP TERMS OF ACQUISITION. DUTCH PRODUCE LANDING GEAR AND OTHER PARTS FOR F-16 IN A CO-PRODUCTION SCHEME; IF THIRD COUNTRY (NON-NATO) SALES ARE ARRANGED BY US, GON WOULD PROBABLY WISH TO CONTINUE WITH A SIMILAR CO-PRODUCTION ARRANGEMENT.

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- 6. ARMS TRANSFER POLICY: GON EXERCISES POSITIVE CONTROL OVER WEAPON SALES TO COUNTRIES WITH HIGH POLITICAL VISIBILITY. FOR EXAMPLE, GON WENT SO FAR THIS AUTUMN AS TO PREVENT VFW-FOKKER'S LEASING OF TWO F-27 AIRCRAFT TO SOUTH AFRICA TO PRECLUDE THE POSSIBILITY OF THEIR BEING USED FOR THE TRANSPORT OF SOUTH AFRICAN TROOPS.
- 7. WITH THE EXCEPTION OF THE SHIPBUILDING INDUSTRY AND HSA, NO STRONG PRESSURES ACT ON GON TO MANUFACTURE WEAPONS: THE DUTCH INDUSTRIAL BASE FOR ARMAMENTS IS RESTRICTED. HOWEVER, IF UNEMPLOYMENT CONTINUES TO REMAIN RELATIVELY HIGH AND IF THE DUTCH ECONOMY CONTINUES TO PERFORM POORLY, WE WOULD EXPECT THAT PRESSURES TO MANUFACTURE ARMAMENTS FOR SALES TO OTHER COUNTRIES GRADUALLY WOULD INCREASE. AS A MATTER OF POLICY GON IS FIRMLY OPPOSED TO ARMS RACE. GON IS ALSO IN A GENERAL WAY OPPOSED TO MORE LIMITED ARMS BUILDUPS BETWEEN THIRD WORLD COUNTRIES. ALTHOUGH WE DO NOT EXPECT THE NETHERLANDS TO DEVELOP AN ARMAMENTS INDUSTRY ON A SCALE THAT WOULD REQUIRE THE MAINTENANCE OF MARKETS IN THIRD WORLD COUNTRIES, BECAUSE OF THE CONDITIONS MENTIONED ABOVE WE BELIEVE THAT THE DUTCH WILL CONTINUE TO SELL MODESTLY INCREASING SMALL AMOUNTS OF CONVENTIONAL ARMS TO THIRD WORLD COUNTRIES IN THE FORESEEABLE FUTURE.

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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